UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/854,306	05/11/2001	Eric Yang	15448-0502	7816

29989   7590   07/30/2009

HICKMAN PALERMO TRUONG & BECKER, LLP
2055 GATEWAY PLACE
SUITE 550
SAN JOSE, CA 95110

EXAMINER
MOONEYHAM, JANICE A

ART UNIT	PAPER NUMBER
3689	

MAIL DATE	DELIVERY MODE
07/30/2009	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

UNITED STATES PATENT AND TRADEMARK OFFICE

_____

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

_____

Ex parte ERIC YANG and SCOTT BAEDER

_____

Appeal 2008-004392
Application 09/854,306
Technology Center 3600

_____

Decided: July 30, 2009

_____

Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and
JOSEPH A. FISCHETTI, *Administrative Patent Judges.*

FISCHETTI, *Administrative Patent Judge.*

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants seek our review under 35 U.S.C. § 134 (2002) of the
Examiner's final rejection of claims 1-142. We have jurisdiction under 35
U.S.C. § 6(b) (2002).

SUMMARY OF DECISION

We AFFIRM and denominate our Decision as a new ground(s) pursuant to 37 C.F.R. 41.50(b) (2008).

THE INVENTION

Appellants claim a system and method for software licensing which is said to be more flexible because it is done on a fulfillment basis. (Specification 3:2-3).

Claim 1, reproduced below, is representative of the subject matter on appeal.

> 1. A computer-implemented method for managing a contract, comprising:
>
> receiving, over a network, from a client computer that runs a browser program, a first inquiry regarding licensing of a first set of software under a particular contract;
>
> in response to receiving said first inquiry, accessing, at a management system that is coupled to said client computer via said network and is embodied in a machine, information pertaining to said particular contract, said information comprising a quota parameter, which specifies a quota of resources that can be consumed under said particular contract;
>
> determining, at said management system, a first licensing amount attributable to licensing said first set of software;

updating said quota parameter at said management
system based, at least partially, upon said first
licensing amount;

sending license parameters from said management
system over said network to a licensing host that
(a) is coupled to said management system via said
network, (b) communicates with said first set of
software over said network, and (c) enforces said
license parameters relative to said first set of
software; and

allowing said first set of software to be used under
said particular contract.

THE REJECTIONS

The Examiner relies upon the following as evidence of
unpatentability:

Grodner	US 3,751,670	Aug. 7, 1973
Fiedler	US 2003/0040917 A1	Feb. 27, 2003
Evans	US 2003/0126033 A1	Jul. 3, 2003
Ginter	US 2004/0133793 A1	Jul. 8, 2004

The following rejection is before us for review.

1. The Examiner rejected claims 1-17, 19, 22, 72-88, 90, and 93 under
35 U.S.C. § 102(e) as being anticipated by Ginter.

2. The Examiner rejected claims 23-49, 51, 55-64, 94-120, 122, and
126-135 under 35 U.S.C. § 102(e) as being anticipated by Ginter.

3. The Examiner rejected claims 65-71 and 136-142 under 35 U.S.C.
§ 103(a) as being unpatentable over Ginter.

4. The Examiner rejected claims 18, 20-21, 89, and 91-92 under 35 U.S.C. § 103(a) as being unpatentable over Ginter.

5. The Examiner rejected claims 50, 52-54, 121, and 123-125 under 35 U.S.C. § 103(a) as being unpatentable, allegedly, over Ginter.

ISSUES

Have Appellants shown that 1. the Examiner erred in rejecting independent claims 22, 56, 72, 94, and 127 under 35 U.S.C. § 102(e) and independent claims 65 and 136 under 35 U.S.C. § 103(a) over Ginter on the grounds that a person with ordinary skill in the art would understand that Ginter discloses communicating between a licensing host and a first set of software by establishing a causal relationship between the involved software and the VDE host; and 2. that Ginter discloses a set of software the client's licensing inquiry regards under a particular contract when Ginter discloses specifying/tailoring of a given information/software product to meet user selection requirements under a license agreement.

PRINCIPLES OF LAW

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631 (Fed. Cir.), *cert. denied*, 484 U.S. 827 (1987).

> Section 103 forbids issuance of a patent when "the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a

> person having ordinary skill in the art to which
> said subject matter pertains."

KSR Int'l Co. v. Teleflex Inc., 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). *See also KSR*, 550 U.S. at 407 ("While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.")

FINDINGS OF FACT

We find the following facts by a preponderance of the evidence:

1. Ginter discloses the

> user interface 686 functions include dialogs which
> enable flexible browsing through libraries of
> properties or objects available for licensing or
> purchase, either from locally stored VDE protected
> objects and/or from one or more various, remotely
> located content providers. Such function may be
> provided either while the user's computer is
> connected to a remote distributor's or
> clearinghouse's electronic appliance 600, or by
> activating an electronic connection to a remote
> source after a choice (such as a property, a
> resource location, or a class of objects or resources
> is selected).

(Ginter, ¶[1892]).

2. Ginter discloses a network usable system of procuring content in that

> [i]n order to make use of the repository, the
> end user may operate application software. In this
> example, the end user may either make use of a
> standard application program (e.g.[,] a World
> Wide Web browser such as Mosaic), or they may
> make use of application software provided by the
> repository after completion of the registration
> process. If the end user chooses to make use of the
> application software provided by the repository,
> they may be able to avoid certain complexities of
> interaction that may occur if a standard package is
> used. Although standardized packages are often
> relatively easy to use, a customized package that
> incorporates VDE aware functionality may provide
> an easier to use interface for a user. In addition,
> certain characteristics of the repository may be
> built in to the interface to simplify use of the
> services (e.g.[,] similar to the application programs
> provided by America Online).

(Ginter, ¶[[2238]).

3. Ginter discloses that the

> VDE content creator 102 creates "content." The
> content creator 102 may also specify "rules and
> controls" for distributing the content. These
> distribution-related "rules and controls" can
> specify who has permission to distribute the rights
> to use content, and how many users are allowed to
> use the content.

(Ginter, ¶[[0404]).

4. The Examiner found that:

> a "licensing host" is the mechanism that
> communicates over the network (Internet or
> electronic highway) to the content/software and
> enforces the terms of the contract. Thus, the
> Examiner asserts that the "licensing host" can be
> the VDE itself or the VDE applications and

6

> software set forth above in paragraphs [0059-
> 0067]. The VDE or the VDE applications and
> software communicate with the content/software
> over the "electronic highway 108". Since the
> VDE/distributors/"information utility" are also all
> connected over the electronic highway, then the
> mechanism for providing contract information and
> quotas and the mechanism for enforcing and
> allowing content to be used are all coupled to each
> other and all communicate with each other through
> a network, i.e., the electronic highway shown in
> Figures 1-2A.

(Answer 39-40).

5. In an Advisory Action dated April 24, 2007, page 3, the Examiner noted that "…no system communicates with the content. One does not communicate with content, but one does communicate with the content creator or user or with the clearing house. One cannot communication [(*sic.*)] with actual content, i[.e.], music, video."

6. Ginter discloses content in the context of owners and marketers of context include "software developers, motion picture and recording companies, publishers of books, magazines, and newspapers, and information database providers." (Ginter, ¶[0008]).

7. Appellants' Specification does not specifically define the term communicate, nor does it utilize the term contrary to its customary meaning.

8. Appellants uses the term communicate in the context of

> the licensed software 154 causes the software host
> 110 to establish a connection with the license
> management software 152 of the licensing host
> 108. Using this connection, the licensed software
> 154 requests authorization from the license
> management software 152 to execute. If
> authorization is obtained, then the licensed

7

> software 154 continues executing on the software
> host 110. If authorization is not obtained, then
> execution of the licensed software 154 terminates.
> In this manner, the terms of the software license
> are enforced.

(Specification 10:13-19).

      9. Ginter discloses a causal relationship between the VDE and the involved software in that it discloses the

> VDE ensures that certain prerequisites
> necessary for a given transaction to occur are met.
> This includes the secure execution of any required
> load modules and the availability of any required,
> associated data. For example, required load
> modules and data (e.g.[,] in the form of a method)
> might specify that sufficient credit from an
> authorized source must be confirmed as available.
> It might further require certain one or more load
> modules execute as processes at an appropriate
> time to ensure that such credit will be used in order
> to pay for user use of the content. A certain
> content provider might, for example, require
> metering the number of copies made for
> distribution to employees of a given software
> program (a portion of the program might be
> maintained in encrypted form and require the
> presence of a VDE installation to run). This would
> require the execution of a metering method for
> copying of the property each time a copy was
> made for another employee. This same provider
> might also charge fees based on the total number
> of different properties licensed from them by the
> user and a metering history of their licensing of
> properties might be required to maintain this
> information.

(Ginter, ¶([0166]).

10. Ginter discloses a user selection of software that a client's

licensing inquiry regards in that

> the present invention allows information contained
> in electronic information products to be supplied
> according to user specification. Tailoring to user
> specification allows the present invention to
> provide the greatest value to users, which in turn
> will generate the greatest amount of electronic
> commerce activity. The user, for example, would
> be able to define an aggregation of content derived
> from various portions of an available content
> product, but which, as a deliverable for use by the
> user, is an entirely unique aggregated increment.
> The user may, for example, select certain numbers
> of bytes of information from various portions of an
> information product, such as a reference work, and
> copy them to disc in unencrypted form and be
> billed based on total number of bytes plus a
> surcharge on the number of "articles" that provided
> the bytes.

(Ginter, ¶[0174]).

ANALYSIS

Appellants' arguments against the rejection of independent claims 22,

56, 72, 94 and 127 under 35 U.S.C. § 102(e) and independent claims 65 and

136 under 35 U.S.C. § 103(a)[1] are each based on perceived deficiencies of

Ginter. Inasmuch as Appellants raise the same issues with respect to each of

---

[1] A disclosure that anticipates under 35 U.S.C. § 102 also renders the
claim unpatentable under 35 U.S.C. § 103, for anticipation is the epitome of
obviousness. *See In re Pearson*, 494 F.2d 1399, 1402 (CCPA 1974); and *In
re Fracalossi*, 681 F.2d 792, 794 (CCPA 1982).

these rejections, we discuss them together, addressing each of Appellants'
arguments in turn.

Appellants argue "Ginter does not disclose, teach, or suggest a
licensing host that 'communicates with said first set of software over said
network,' where 'said first set of software' is a set of software that a client's
licensing inquiry regards under a particular contract, as recited in Claim 1."
(Appeal Br. 8). We disagree with Appellants for the following reasons.

We first address the part of Appellants' argument above directed to
the claim requirement, phrased by Appellants, as a set of software the
client's licensing inquiry regards under a particular contract. We find that
Ginter discloses such a feature in that the user specifies the information
contained in electronic information products to be supplied, even to the
extent that the user may select a certain numbers of bytes of information
from various portions of an information product (FF 1, 10). According to
Ginter, specifying/tailoring of a given information/software product to meet
user selection requirements, involves an inquiry of the product at least to the
extent of copying the user intends to make of the given data. Furthermore,
Ginter discloses that the use/copying of the involved data is billed based on
total number of bytes plus a surcharge on the number of "articles" that
provided the bytes (FF 9, 10). We thus find that this duty to pay is the result
of an inquiry and constitutes an obligation by the user under a contract
(implied or expressed license (FF 4, 9)) to compensate the author for the acts
of copying/use of the software the client's licensing inquiry regards under a
particular contract. Accordingly, we are not persuaded of error in the
Examiner's rejection based on this point.

Appellants also maintain that because the Examiner noted in an
Advisory Action (FF 5) that "no system communicates with the content,"
that Ginter fails to disclose communicating between the licensing host and
the first set of software. (Appeal Br. 9). We disagree with Appellants.

We find that Appellants' Specification does not specifically define the
term communicate, nor does it utilize the term contrary to its customary
meaning. We further find that the Specification describes that "the licensed
software 154 causes the software host 110 to establish a connection with the
license management software 152 of the licensing host 108. Using this
connection, the licensed software 154 requests authorization from the license
management software 152 to execute." (FF 7). Thus, Appellants'
Specification describes "communicate" between the licensing host and the
first set of software in the sense that the licensed software causes the
software host 110 to establish a connection with the license management
software 152 of the licensing host 108 in order to allow the user to use the
involved software. According to Appellants' Specification then,
communicate means that there is a causal relationship between the first set
of software and the licensing host.

We find that Ginter discloses a licensing host that communicates with
a first set of software over said network, because the Ginter system is
network based (FF 1, 2) and discloses communication or a causal
relationship between the involved software and the VDE host (FF 9). That
is, according to Ginter, the VDE meters the number of copies made for
distribution to employees of a given software program such that a portion of
the program might be encrypted and require the presence of a VDE

installation to run (FF 9) by the direction of the content provider. Appellants' argument is thus not persuasive as to error in the rejection.

Appellants next argue that "… none of these entities (the content creator, the user, or the clearing house) is even a set of software, let alone a set of software that a client's licensing inquiry regards under a particular contract." (Appeal Br. 9). The argument fails because its premise no longer exists under our analysis because as discussed above, we find that the software and the VDE communicate, i.e., the VDE is caused to launch a decryption program on the software ("a portion of the *program* might be maintained in encrypted form and require the presence of a VDE installation to run" (FF 9 (emphasis added)) *see also* (FF 10)).

Because our rationale differs from that of the Examiner, we denominate it as new grounds under 37 C.F.R. § 41.50(b).

The remainder of Appellants' arguments are directed to claim elements which Appellants merely restate without further argument except to say that they are not disclosed by Ginter. Thus, such arguments are not persuasive as to error in the rejection. A statement which merely points out what a claim recites will not be considered an argument for separate patentability of the claim. *See*, 37 C.F.R. § 41.37(c)(1)(vii) (2008).

We thus affirm the rejection of the independent claims made under 35 U.S.C. § 102 (e) and 35 U.S.C. § 103(a), and since Appellants do not provide a substantive argument as to the separate patentability of the dependent claims, these claims also fall with the independent claims on which they depend.

CONCLUSIONS OF LAW

1. We conclude the Appellants have not shown that the Examiner erred in rejecting claims 1-17, 19, 22, 72-88, 90, and 93 under 35 U.S.C. § 102(e) as being anticipated by Ginter.

2. We conclude the Appellants have not shown that the Examiner erred in rejecting claims 23-49, 51, 55-64, 94-120, 122, and 126-135 under 35 U.S.C. § 102(e) as being anticipated by Ginter.

3. We conclude the Appellants have not shown that the Examiner erred in rejecting claims 65-71 and 136-142 under 35 U.S.C. § 103(a) as being unpatentable over Ginter.

4. We conclude the Appellants have not shown that the Examiner erred in rejecting claims 18, 20-21, 89, and 91-92 under 35 U.S.C. § 103(a) as being unpatentable over Ginter.

5. We conclude the Appellants have not shown that the Examiner erred in rejecting claims 50, 52-54, 121, and 123-125 under 35 U.S.C. § 103(a) as being unpatentable over Ginter.

DECISION

The decision of the Examiner to reject claims 1-142 is AFFIRMED.

Because our rationale differs from that of the Examiner, we denominate as new grounds under 37 C.F.R. § 41.50(b). This decision contains a new ground of rejection pursuant to 37 C.F.R. § 41.50(b). 37 C.F.R. § 41.50(b) provides that "[a] new ground of rejection . . . shall not be considered final for judicial review." 37 C.F.R. § 41.50(b) also provides that the Appellants, WITHIN TWO MONTHS FROM THE DATE OF THE

13

DECISION, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claims:

> (1) *Reopen prosecution.* Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the proceeding will be remanded to the examiner ....
>
> (2) *Request rehearing.* Request that the proceeding be reheard under § 41.52 by the Board upon the same record ....

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2008).

<u>AFFIRMED; 37 C.F.R. § 41.50(b)</u>

hh

HICKMAN PALERMO TRUONG & BECKER, LLP
2055 GATEWAY PLACE
SUITE 550
SAN JOSE, CA 95110